



3015 (02-09-04)

ANNUAL REPORT

OF

Name: GRESHAM MUNICIPAL WATER AND SEWER UTILITY

Principal Office: P.O. BOX 50
GRESHAM, WI 54128

For the Year Ended: DECEMBER 31, 1998

WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: GRESHAM MUNICIPAL WATER AND SEWER UTILITY**Utility Address:** P.O. BOX 50
GRESHAM, WI 54128**When was utility organized?** 1/1/1955**Report any change in name:****Effective Date:****Utility Web Site:**

Utility employee in charge of correspondence concerning this report:

Name: LORETTA PLESHEK**Title:** OFFICE MANAGER**Office Address:**P.O. BOX 50
GRESHAM, WI 54128**Telephone:** (715) 787 - 3244**Fax Number:** (715) 787 - 1313**E-mail Address:**

Individual or firm, if other than utility employee, preparing this report:

Name: KERBER, ROSE & ASSOCIATES, S.C.**Title:****Office Address:** KERBER, ROSE & ASSOCIATES, S.C.115 E FIFTH STREET
SHAWANO, WI 54166**Telephone:** (715) 526 - 9400**Fax Number:** (715) 524 - 2599**E-mail Address:**

Are records of utility audited by individuals or firms, other than utility employee? YES

Individual or firm, if other than utility employee, auditing utility records:

Name: KERBER, ROSE & ASSOCIATES, S.C.**Title:****Office Address:** KERBER, ROSE & ASSOCIATES, S.C.115 E FIFTH STREET
SHAWANO, WI 54166**Telephone:** (715) 526 - 9400**Fax Number:** (715) 524 - 2599**E-mail Address:****Date of most recent audit report:** 2/27/1999**Period covered by most recent audit:** 1998

IDENTIFICATION AND OWNERSHIP

Names and titles of utility management including manager or superintendent:

Name: LEE EBERT**Title:** VILLAGE MANAGER**Office Address:**

P.O. BOX 50

GRESHAM, WI 54128

Telephone:**Fax Number:****E-mail Address:**

Name of utility commission/committee: UTILITY COMMITTEE

Names of members of utility commission/committee:

DAN BOUCHER

NORMAN DARLING

RICK GIESE

Is sewer service rendered by the utility? YES**If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.077 of the Wisconsin Statutes?** YES**Date of Ordinance:** 1/1/1955**Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)?** NO

Provide the following information regarding the provider(s) of contract services:

Firm Name:**Contact Person:****Title:****Telephone:****Fax Number:****E-mail Address:**

Contract/Agreement beginning-ending dates:**Provide a brief description of the nature of Contract Operations being provided:**

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	104,117	103,029	1
Operating Expenses:			
Operation and Maintenance Expense (401)	88,662	66,181	2
Depreciation Expense (403)	25,783	25,657	3
Amortization Expense (404)	0	0	4
Taxes (408)	6,129	5,317	5
Total Operating Expenses	120,574	97,155	
Net Operating Income	(16,457)	5,874	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	(16,457)	5,874	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Nonoperating Rental Income (418)	0	0	8
Interest and Dividend Income (419)	597	373	9
Miscellaneous Nonoperating Income (421)	0	0	10
Total Other Income	597	373	
Total Income	(15,860)	6,247	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0	0	11
Other Income Deductions (426)	0	0	12
Total Miscellaneous Income Deductions	0	0	
Income Before Interest Charges	(15,860)	6,247	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	0	0	13
Amortization of Debt Discount and Expense (428)			14
Amortization of Premium on Debt--Cr. (429)			15
Interest on Debt to Municipality (430)	0	0	16
Other Interest Expense (431)	0	425	17
Interest Charged to Construction--Cr. (432)			18
Total Interest Charges	0	425	
Net Income	(15,860)	5,822	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	100,695	93,852	19
Balance Transferred from Income (433)	(15,860)	5,822	20
Miscellaneous Credits to Surplus (434)	3,021	3,021	21
Miscellaneous Debits to Surplus--Debit (435)	2,000	2,000	22
Appropriations of Surplus--Debit (436)	0	0	23
Appropriations of Income to Municipal Funds--Debit (439)	0	0	24
Total Unappropriated Earned Surplus End of Year (216)	85,856	100,695	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Amount (b)	
Revenues from Utility Plant Leased to Others (412):		
NONE		1
Total (Acct. 412):	0	
Expenses of Utility Plant Leased to Others (413):		
NONE		2
Total (Acct. 413):	0	
Nonoperating Rental Income (418):		
NONE		3
Total (Acct. 418):	0	
Interest and Dividend Income (419):		
Interest on Cash and Investments	597	4
Total (Acct. 419):	597	
Miscellaneous Nonoperating Income (421):		
NONE		5
Total (Acct. 421):	0	
Miscellaneous Amortization (425):		
NONE		6
Total (Acct. 425):	0	
Other Income Deductions (426):		
NONE		7
Total (Acct. 426):	0	
Miscellaneous Credits to Surplus (434):		
Local and School Taxes Waived	3,021	8
Total (Acct. 434):	3,021	
Miscellaneous Debits to Surplus (435):		
Sanitary Sewer Charges to Village of Gresham Forgiven	2,000	9
Total (Acct. 435)--Debit:	2,000	
Appropriations of Surplus (436):		
Detail appropriations to (from) account 215		10
Total (Acct. 436)--Debit:	0	
Appropriations of Income to Municipal Funds (439):		
NONE		11
Total (Acct. 439)--Debit:	0	

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)					0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
Other (list by major classes):					0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	27,756	0	76,361	0	104,117	1
Less: interdepartmental sales	471		731	0	1,202	2
Less: interdepartmental rents					0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	350				350	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify:					0	6
Revenues subject to Wisconsin Remainder Assessment	26,935	0	75,630	0	102,565	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	1,123,009	1,114,780	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	404,098	379,315	2
Net Utility Plant	718,911	735,465	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	0	0	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	0	0	4
Net Nonutility Property	0	0	
Investment in Municipality (123)	0	0	5
Other Investments (124)	0	0	6
Special Funds (125)	0	0	7
Total Other Property and Investments	0	0	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	42,593	24,902	8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	11,821	13,274	11
Other Accounts Receivable (143)	1,544	2,161	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	0	0	14
Materials and Supplies (150)	1,103	1,103	15
Prepayments (165)	0	0	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	57,061	41,440	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	0	0	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	9,700	12,125	20
Total Deferred Debits	9,700	12,125	
Total Assets and Other Debits	785,672	789,030	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	4,526	4,526	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	85,856	100,695	23
Total Proprietary Capital	90,382	105,221	
LONG-TERM DEBT			
Bonds (221)	0	0	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	0	0	26
Total Long-Term Debt	0	0	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	6,829	5,015	28
Payables to Municipality (233)	43,409	33,742	29
Customer Deposits (235)			30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	0	0	32
Other Current and Accrued Liabilities (238)			33
Total Current and Accrued Liabilities	50,238	38,757	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	0	0	36
Total Deferred Credits	0	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	645,052	645,052	38
Total Liabilities and Other Credits	785,672	789,030	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
Plant Accounts:					
Utility Plant in Service (100)	215,713	884,885	0	0	1
Utility Plant Purchased or Sold (391)					2
Utility Plant in Process of Reclassification (392)					3
Utility Plant Leased to Others (393)					4
Property Held for Future Use (394)		22,411			5
Construction Work in Progress (395)					6
Utility Plant Acquisition Adjustments (396)					7
Other Utility Plant Adjustments (397)					8
Total Utility Plant	215,713	907,296	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	71,379	332,719	0	0	9
Total Accumulated Provision	71,379	332,719	0	0	
Net Utility Plant	144,334	574,577	0	0	

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Depreciation Accruals (Credits) during the year:

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	Sewer (c)	(d)	(e)	Total (f)	
Balance first of year	68,348	310,967			379,315	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	3,731	22,052			25,783	4
Depreciation expense on meters						5
charged to sewer (see Note 3)					0	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	3,731	22,052	0	0	25,783	13
Debits during year						14
Book cost of plant retired	700	300			1,000	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	700	300	0	0	1,000	19
Balance End of Year	71,379	332,719	0	0	404,098	20
Composite Depreciation Rate?	Yes	Yes				21
If yes, what is the rate?	2.00%	2.39%				22

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	0			0	1
Other (specify):	0			0	2
Total Nonutility Property (121)	0	0	0	0	
Less accum. prov. depr. & amort. (122)	0			0	3
Net Nonutility Property	0	0	0	0	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Additions:		
Provision for uncollectibles during year		2
Collection of accounts previously written off: Utility Customers		3
Collection of accounts previously written off: Others		4
Total Additions	<u>0</u>	
Deductions:		
Accounts written off during the year: Utility Customers		5
Accounts written off during the year: Others		6
Total accounts written off	<u>0</u>	
Balance end of year	<u><u>0</u></u>	

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)	
Electric Utility							
Fuel for generation					0	0	1
Other					0	0	2
Total Electric Utility					0	0	

Account	Total End of Year	Amount Prior Year	
Electric utility total	0	0	1
Water utility	749	749	2
Sewer utility	354	354	3
Gas utility		0	4
Merchandise		0	5
Other materials & supplies		0	6
Total Materials and Supplies	1,103	1,103	

**UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT
(ACCTS. 181 AND 251)**

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				1
Total			<u>0</u>	
Unamortized premium on debt (251)				2
Total			<u>0</u>	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Amount (b)	
Balance first of year	4,526	1
Changes during year (explain):		2
Balance end of year	4,526	

BONDS (ACCT. 221)

1. Report hereunder information required for each separate issue of bonds.
2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)
-------------------------------------	----------------------------------	--	----------------------------------	---

NONE

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)
--	----------------------------------	--	----------------------------------	---

NONE

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	4,347	2
Charged electric department expense		3
Charged sewer department expense	1,782	4
Other (explain):		
NONE		5
Total Accruals and other credits	6,129	
Taxes paid during year:		
County, state and local taxes		6
Social Security taxes	2,896	7
PSC Remainder Assessment	212	8
Other (explain):		
Property Tax Equivalent	3,021	9
Total payments and other debits	6,129	
Balance end of year	0	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
NONE	0			0	1
Subtotal	0	0	0	0	
Advances from Municipality (223)					
NONE	0			0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
NONE	0			0	3
Subtotal	0	0	0	0	
Notes Payable (231)					
NOTE PAYABLE	0			0	4
Subtotal	0	0	0	0	
Total	0	0	0	0	

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271)

Particulars (a)	Water (b)	Electric		Sewer (e)	Gas (f)	Total (g)	
		Distribution (c)	Other (d)				
Balance First of Year	109,690	0	0	535,362	0	645,052	1
Add credits during year:							
For Services						0	2
For Mains						0	3
Other (specify):							
NONE						0	4
Deduct charges (specify):							
NONE						0	5
Balance End of Year	109,690	0	0	535,362	0	645,052	
Amount of federal and state grants in aid received for utility construction included in End of Year totals	25,131			419,864		444,995	6

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
NONE		1
Total (Acct. 123):	0	
Other Investments (124):		
NONE		2
Total (Acct. 124):	0	
Special Funds (125):		
NONE		3
Total (Acct. 125):	0	
Notes Receivable (141):		
NONE		4
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	2,376	5
Electric		6
Sewer (Regulated)	9,445	7
Other (specify):		
NONE		8
Total (Acct. 142):	11,821	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		9
Merchandising, jobbing and contract work		10
Other (specify):		
Assessment Receivable - Water & Sewer Main	1,544	11
Total (Acct. 143):	1,544	
Receivables from Municipality (145):		
NONE		12
Total (Acct. 145):	0	
Prepayments (165):		
NONE		13
Total (Acct. 165):	0	
Extraordinary Property Losses (182):		
NONE		14
Total (Acct. 182):	0	
Other Deferred Debits (183):		
1996 Water Tower Painted	9,700	15
Total (Acct. 183):	9,700	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Payables to Municipality (233):		
Due to Electric Utility for Operating Costs	43,409	16
Total (Acct. 233):	43,409	
Other Deferred Credits (253):		
NONE		17
Total (Acct. 253):	0	

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include property held for future use or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service	212,770	0	883,713	0	1,096,483	1
Materials and Supplies	749	0	354	0	1,103	2
Other (specify):					0	3
Less Average:						
Reserve for Depreciation	69,863	0	321,843	0	391,706	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	109,690	0	535,362	0	645,052	6
Other (specify):					0	7
Average Net Rate Base	33,966	0	26,862	0	60,828	
Net Operating Income	(13,972)	0	(2,485)	0	(16,457)	8
Net Operating Income as a percent of						
Average Net Rate Base	-41.14%	N/A	-9.25%	N/A	-27.05%	

RETURN ON PROPRIETARY CAPITAL COMPUTATION

1. The data used in calculating proprietary capital are averages.
2. Calculate those averages by summing the first-of-year and end-of-year figures for each account and then dividing by two.

Description (a)	Amount (b)	
Average Proprietary Capital		
Capital Paid in by Municipality	4,526	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	93,275	3
Other (Specify):		4
Total Average Proprietary Capital	97,801	
Net Income		
Net Income	(15,860)	5
Percent Return on Proprietary Capital	-16.22%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

2. Leaseholder changes.

3. Extensions of service.

4. Estimated changes in revenues due to rate changes.

5. Obligations incurred or assumed, excluding commercial paper.

6. Formal proceedings with the Public Service Commission.

7. Any additional matters.

FINANCIAL SECTION FOOTNOTES

Signature Page (Page ii)

Gresham Municipal Water and Sewer Utility
P.O. Box 50
Gresham, WI 54128

ACCOUNTANTS' COMPILATION REPORT

We have compiled the financial information in the accompanying Municipal Utility Annual Report (prescribed form) of the GRESHAM MUNICIPAL WATER AND SEWER UTILITY as of December 31, 1998 and for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation is limited to presenting in the form prescribed by the Public Service Commission of Wisconsin information that is the representation of management. We have not audited or reviewed the financial information referred to above, and accordingly, do not express an opinion or any other form of assurance on them.

This financial information is presented in accordance with the requirements of the Public Service Commission of Wisconsin which differ from generally accepted accounting principles. Accordingly, this financial information is not designed for those who are not informed about such differences.

KERBER, ROSE & ASSOCIATES, S.C.

February 27, 1999
Shawano, Wisconsin

FINANCIAL SECTION FOOTNOTES

Identification and Ownership (Page iv)

July 2, 1999

Ms. Loretta Pleshek, Office Manager
Gresham Municipal Water And Sewer Utility
P.O. Box 50
Gresham, WI 54128-0050

1998 Analytical Review DWCCA-2410-PJL

Dear Ms. Pleshek:

The Public Service Commission has completed their analytical review of your 1998 annual report. The primary purpose of our analytical review is to detect possible accounting related errors and to identify significant fluctuations from prior year's data, which are not sufficiently explained in the footnotes of your annual report. Our review did not identify any such issues. We are closing the review of your 1998 annual report.

Thank you for your efforts in preparing your 1998 annual report. If you have any questions, please feel free to contact me at (608) 267-9198.

Sincerely,

Peter J. Leege
Financial Specialist
Division of Water, Compliance, and Consumer Affairs

PJL:tlk:w:\compl\analytical review letters\July 2 1999 letters L.doc

cc: Mr. Dan Boucher

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	27,116	1
Total Sales of Water	27,116	
Other Operating Revenues		
Forfeited Discounts (470)	225	2
Other Water Revenues (474)	415	3
Amortization of Construction Grants (475)	0	4
Total Other Operating Revenues	640	
Total Operating Revenues	27,756	
Operation and Maintenance Expenses		
Plant Operation and Maintenance Expenses (600-660)	20,019	5
General Operating Expenses (680-690)	13,631	6
Total Operation and Maintenance Expenses	33,650	
Other Operating Expenses		
Depreciation Expense (403)	3,731	7
Amortization Expense (404)		8
Taxes (408)	4,347	9
Total Other Operating Expenses	8,078	
Total Operating Expenses	41,728	
NET OPERATING INCOME	(13,972)	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Bulk sales should be account 460.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential				1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	194	8,915	14,315	4
Commercial	26	2,378	3,594	5
Industrial	2	267	371	6
Total Metered Sales to General Customers (461)	222	11,560	18,280	
Private Fire Protection Service (462)				7
Public Fire Protection Service (463)	1		7,500	8
Other Sales to Public Authorities (464)	2	1,034	865	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)	5	168	471	12
Total Sales of Water	230	12,762	27,116	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)
------------------------------------	--	--	-------------------------------

NONE

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1)	7,500	1
Wholesale fire protection billed		2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)		3
Other (specify):		
NONE		4
Total Public Fire Protection Service (463)	7,500	
Forfeited Discounts (470):		
Customer late payment charges	225	5
Other (specify):		
NONE		6
Total Forfeited Discounts (470)	225	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	350	7
Other (specify):		
Hook-ups	65	8
Total Other Water Revenues (474)	415	
Amortization of Construction Grants (475):		
NONE		9
Total Amortization of Construction Grants (475)	0	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
PLANT OPERATION AND MAINTENANCE EXPENSES		
Salaries and Wages (600)	11,667	1
Purchased Water (610)		2
Fuel or Power Purchased for Pumping (620)	4,047	3
Chemicals (630)	366	4
Supplies and Expenses (640)	1,231	5
Repairs of Water Plant (650)	2,425	6
Transportation Expenses (660)	283	7
Total Plant Operation and Maintenance Expenses	20,019	
GENERAL OPERATING EXPENSES		
Administrative and General Salaries (680)	4,948	8
Office Supplies and Expenses (681)	780	9
Outside Services Employed (682)	2,250	10
Insurance Expense (684)	587	11
Employees Pensions and Benefits (686)	4,959	12
Regulatory Commission Expenses (688)		13
Miscellaneous General Expenses (689)		14
Uncollectible Accounts (690)	107	15
Total General Operating Expenses	13,631	
Total Operation and Maintenance Expenses	33,650	

TAXES (ACCT. 408 - WATER)

When allocation of taxes is made between departments, explain method used.
--

Description of Tax (a)	Method Used to Allocate Between Departments (b)	Amount (c)	
Property Tax Equivalent	PSC Prescribed Formula	3,021	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		94	2
Net property tax equivalent		2,927	
Social Security	Based on Wages	1,271	3
PSC Remainder Assessment	Based on Operating Revenues	149	4
Other (specify): NONE			5
Total tax expense		4,347	

PROPERTY TAX EQUIVALENT (WATER)

1. No property tax equivalent shall be determined for sewer utilities or town sanitary district water utilities.
2. Tax rates are those issued in November (usually) of the year being reported and are available from the municipal treasurer. Report the tax rates in mills to six (6) decimal places.
3. The assessment ratio is available from the municipal treasurer. Report the ratio as a decimal to six (6) places.
4. The utility plant balance first of year should include the gross book values of plant in service, property held for future use and construction work in progress.
5. An "other tax rate" is included in the "Net Local and School Tax Rate Calculation" to the extent that it is local. An example is a local library tax. Fully explain the rate in the Property Tax Equivalent schedule footnotes.
6. The Property Tax Equivalent to be reported for the year is determined pursuant to Wis. Stat § 66.069(1)(c). Report the higher of the current year calculation or the tax equivalent reported in the 1994 PSC annual report, unless, the municipality has authorized a lower amount, then that amount is reported as the property tax equivalent.
7. If the municipality has authorized a lower amount, the authorization description and date of the authorization must be reported in the Property Tax Equivalent schedule footnotes.

Particulars (a)	Units (b)	Total (c)	County A (d)	County B (e)	County C (f)	County D (g)	
County name			Shawano				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.278242				3
County tax rate	mills		8.070486				4
Local tax rate	mills		0.926899				5
School tax rate	mills		11.596810				6
Voc. school tax rate	mills		1.808180				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		22.680617				10
Less: state credit	mills		2.334650				11
Net tax rate	mills		20.345967				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		0.926899				14
Combined School Tax Rate	mills		13.404990				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		14.331889				17
Total Tax Rate	mills		22.680617				18
Ratio of Local and School Tax to Total	dec.		0.631900				19
Total tax net of state credit	mills		20.345967				20
Net Local and School Tax Rate	mills		12.856623				21
Utility Plant, Jan. 1	\$	209,828	209,828				22
Materials & Supplies	\$	1,102	1,102				23
Subtotal	\$	210,930	210,930				24
Less: Plant Outside Limits	\$	0	0				25
Taxable Assets	\$	210,930	210,930				26
Assessment Ratio	dec.		0.715964				27
Assessed Value	\$	151,018	151,018				28
Net Local & School Rate	mills		12.856623				29
Tax Equiv. Computed for Current Year	\$	1,942	1,942				30
Tax Equivalent per 1994 PSC Report	\$	3,021					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$						32
Tax equiv. for current year (see note 6)	\$	3,021					34

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	500		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	500	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	0		4
Structures and Improvements (311)	0		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	20,366		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	0		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	20,366	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	7,917		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	11,279		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	19,196	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	520		23
Total Water Treatment Plant	520	0	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	500		24
Structures and Improvements (341)	0		25

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			500	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	500	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			0	4
Structures and Improvements (311)			0	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			0	7
Wells and Springs (314)			20,366	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			0	10
Other Water Source Plant (317)			0	11
Total Source of Supply Plant	0	0	20,366	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			7,917	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			11,279	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			0	20
Total Pumping Plant	0	0	19,196	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			0	22
Water Treatment Equipment (332)			520	23
Total Water Treatment Plant	0	0	520	
TRANSMISSION AND DISTRIBUTION PLANT				
Land and Land Rights (340)			500	24
Structures and Improvements (341)			0	25

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)	16,294		26
Transmission and Distribution Mains (343)	89,795	1,000	27
Fire Mains (344)	0		28
Services (345)	25,383		29
Meters (346)	20,447	417	30
Hydrants (348)	13,420	5,168	31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	165,839	6,585	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	262		34
Office Furniture and Equipment (372)	758		35
Computer Equipment (372.1)	0		36
Transportation Equipment (373)	0		37
Other General Equipment (379)	2,387		38
Other Tangible Property (390)	0		39
Total General Plant	3,407	0	
Total utility plant in service directly assignable	209,828	6,585	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	209,828	6,585	

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)			16,294 26
Transmission and Distribution Mains (343)			90,795 27
Fire Mains (344)			0 28
Services (345)			25,383 29
Meters (346)	75		20,789 30
Hydrants (348)	625		17,963 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	700	0	171,724
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			262 34
Office Furniture and Equipment (372)			758 35
Computer Equipment (372.1)			0 36
Transportation Equipment (373)			0 37
Other General Equipment (379)			2,387 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	3,407
Total utility plant in service directly assignable	700	0	215,713
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	700	0	215,713

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January			1,217	1,217	1
February			1,425	1,425	2
March			1,557	1,557	3
April			1,494	1,494	4
May			1,819	1,819	5
June			1,613	1,613	6
July			1,958	1,958	7
August			1,376	1,376	8
September			1,218	1,218	9
October			1,123	1,123	10
November			1,107	1,107	11
December			1,213	1,213	12
Total for year	0	0	17,120	17,120	
Less: Measured or estimated water used in main flushing and water treatment during year				10	13
Less: Other utility use				2,100	14
Other utility use explanation:					15
Frost prevention, fire prevention, Miscellaneous					
Water pumped into distribution system				15,010	16
Less: Water sold				12,762	17
Losses and unaccounted for				2,248	18
Percent unaccounted for to the nearest whole percent (%)				15%	19
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					20
Utility personnel are watching for signs of leaks to reduce water loss					
Maximum gallons pumped by all methods in any one day during reporting year				61	21
Date of maximum: 8/1/1998					22
Cause of maximum:					23
Unknown					
Minimum gallons pumped by all methods in any one day during reporting year				28	24
Date of minimum: 10/12/1998					25
Total KWH used for pumping for the year				61,668	26
If water is purchased: Vendor Name:					27
Point of Delivery:					28

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)	
1276 MAIN STREET	1	102	6	21,600	Yes	1
1490 MAIN STREET	2	420	6	40,000	Yes	2

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Intakes			
	Identification Number (b)	Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)
NONE				

1

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification	WELL 1	WELL 2		1
Location	1276 MAIN	1490 MAIN		2
Purpose	P	P		3
Destination	D	D		4
Pump Manufacturer	PLEUGER	GOULDS		5
Year Installed	1982	1996		6
Type	VERTICAL TURBINE	VERTICAL TURBINE		7
Actual Capacity (gpm)	1	1		8
Pump Motor or Standby Engine Mfr	CUTLER HAMMER	WESTINGHOUSE		9
Year Installed	1976	1955		10
Type	ELECTRIC	ELECTRIC		11
Horsepower	15	5		12

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification				14
Location				15
Purpose				16
Destination				17
Pump Manufacturer				18
Year Installed				19
Type				20
Actual Capacity (gpm)				21
Pump Motor or Standby Engine Mfr				22
Year Installed				23
Type				24
Horsepower				25

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification number or name	1		1
RESERVOIRS, STANDPIPES			2
OR ELEVATED TANKS			3
Type: R (reservoir), S (standpipe) or ET (elevated tank)	ET		4
Year constructed	1955		5
Primary material (earthen, steel, concrete, other)	STEEL		6
Elevation difference in feet (See Headnote 3.)	78		7
Total capacity in gallons	100,000		8
WATER TREATMENT PLANT			9
Disinfection, type of equipment (gas, liquid, powder, other)	OTHER		10
Points of application (wellhouse, central facilities, booster station, other)	OTHER		11
Filters, type (gravity, pressure, other, none)	NONE		12
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	1.0000		13
Is a corrosion control chemical used (yes, no)?	N		14
Is water fluoridated (yes, no)?	N		15

WATER MAINS

1. Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

			Number of Feet					
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)	
P	D	2.000	340	0	0	0	340	1
A	D	4.000	454	0	0	0	454	2
M	D	4.000	200	0	0	0	200	3
A	D	6.000	17,414	0	0	0	17,414	4
M	S	6.000	160	0	0	0	160	5
P	D	6.000	917	0	0	0	917	6
A	D	8.000	2,785	0	0	0	2,785	7
M	T	8.000	380	0	0	0	380	8
Total Within Municipality			22,650	0	0	0	22,650	
Total Utility			22,650	0	0	0	22,650	

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	0.750	8	0	0	0	8		1
P	0.750	217	0	0	0	217	3	2
M	1.000	7	0	0	0	7		3
M	1.500	2	0	0	0	2		4
M	2.000	2	0	0	0	2		5
Total Utility		236	0	0	0	236	3	

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (o).

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	245	0	1	0	244	36	1
1.000	11	0	0	0	11	0	2
1.250	1	0	0	0	1	0	3
1.500	5	0	0	0	5	0	4
2.000	4	1	1	0	4	0	5
2.500	1	0	0	0	1	0	6
3.000	1	0	0	0	1	0	7
Total:	268	1	2	0	267	36	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	194	20	1	1	2	26	244	1
1.000	1	2	1	0	3	4	11	2
1.250	0	0	0	0	0	1	1	3
1.500	0	3	0	0	1	1	5	4
2.000	0	1	0	1	0	2	4	5
2.500	0	0	0	0	1	0	1	6
3.000	0	0	0	0	0	1	1	7
Total:	195	26	2	2	7	35	267	

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
Outside of Municipality	0				0	1
Within Municipality	38	1	1		38	2
Total Fire Hydrants	38	1	1	0	38	
Flushing Hydrants						
	3				3	3
Total Flushing Hydrants	3	0	0	0	3	

Wis. Admin. Code § 185.87 requires that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Report the number operated during the year

Number of hydrants operated during year:	20
Number of distribution system valves end of year:	31
Number of distribution valves operated during year:	12

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

Acct. 600 - Salaries and Wages - A Village Manager was hired effective January 1, 1998 and his time was allocated to expense

Acct. 686 - Employees Pensions and Benefits - A large refund of medical bills paid in prior years was received in 1997. Health insurance went up 26%. The new Village Manager received retirement and health insurance.

Water Utility Plant in Service (Page W-08)

Acct. 343 - Transmission and Distribution Mains - The Utility added a new valve to the distribution main explaining the reason for no additional feet of main listed on the Mains schedule.

Hydrants and Distribution System Valves (Page W-18)

Reason for one half of the valves and hydrants not being tested was the pressure and flow gauges were not received until after freeze-up.

SEWER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sewage Operating Revenues		
Sewage Operating Revenues (621-626)	73,544	1
Total Sewage Operating Revenues	73,544	
Other Operating Revenues		
Forfeited Discounts (631)	617	2
Servicing of Customers Laterals (632)	0	3
Sale of Fertilizer (633)	0	4
Rent from Sewerage Properties (634)	200	5
Miscellaneous Operating Revenues (635)	2,000	6
Amortization of Construction Grants (636)	0	7
Total Other Operating Revenues	2,817	
Total Operating Revenues	76,361	
Operation and Maintenance Expenses		
Operation Expenses (820-829)	32,199	8
Maintenance Expenses (831-834)	7,641	9
Customer Accounting & Collection Expenses (840-843)	5,174	10
Administrative and General Expenses (850-857)	9,998	11
Total Operation and Maintenance Expenses	55,012	
Other Operating Expenses		
Depreciation Expense (403)	22,052	12
Amortization Expense (404)		13
Taxes (408)	1,782	14
Total Other Operating Expenses	23,834	
Total Operating Expenses	78,846	
NET OPERATING INCOME	(2,485)	

SEWAGE OPERATING REVENUES

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for flat rate service.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. In the gallons column, report metered water or sewage used as the basis in determining customer bills.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons Billed (c)	Amounts (d)	
Operating Revenues				
Sewage Operating Revenues				
Flat Rate Service to General Customers (621)				
Residential Revenues	194	8,915	52,845	1
Commercial Revenues	26	2,378	13,633	2
Industrial Revenues	2	267	1,451	3
Revenues from Public Authorities	2	1,034	4,884	4
Total Flat Rate Service to General Customers (621)	224	12,594	72,813	
Measured Service to General Customers (622)				
Residential Revenues				5
Commercial Revenues				6
Industrial Revenues				7
Revenues from Public Authorities				8
Total Measured Service to General Customers (622)	0	0	0	
Service to Public Authorities (623)				9
Service to Other Systems (624)				10
Other Sewerage Service (625)				11
Interdepartmental Service (626)	5	168	731	12
Total Sewage Operating Revenues	229	12,762	73,544	

HIGH STRENGTH CONTRIBUTORS

1. High strength contributor is one with waste stronger than 250 mg/l for B.O.D. or 250 mg/l for suspended solids or 10 mg/l for phosphorus.
2. If domestic strength limits for BOD, SS and Phos. used for rate purposes are different from the levels indicated, please note the limits used in the spaces available.
3. The units "mg/l" are now used in place of the equivalent "ppm."
4. List type, volume, strength.

Type (a)	Volume Annual Gallons (000's) (b)	BOD (mg/l) (c)	SS (mg/l) (d)	Phos (mg/l) (e)
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NONE

OTHER OPERATING REVENUES (SEWER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$2,000 and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Customers Forfeited Discounts (631):		
Customer late payment charges	617	1
Other (specify):		
NONE		2
Total Customers Forfeited Discounts (631)	617	
Servicing of Customers Laterals (632):		
NONE		3
Total Servicing of Customers Laterals (632)	0	
Sale of Fertilizer (633):		
NONE		4
Total Sale of Fertilizer (633)	0	
Rent from Sewerage Property (634):		
Land near sewage lagoons is rented to a farmer	200	5
Total Rent from Sewerage Property (634)	200	
Miscellaneous Operating Revenues (635):		
Sanitary Benefit Change	2,000	6
Total Miscellaneous Operating Revenues (635)	2,000	
Amortization of Construction Grants (636):		
NONE		7
Total Amortization of Construction Grants (636)	0	

SEWER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
OPERATION EXPENSES		
Supervision and Labor (820)	16,049	1
Power and Fuel for Pumping (821)	3,700	2
Power and Fuel for Aeration Equipment (822)	5,285	3
Chlorine (823)		4
Phosphorous Removal Chemicals (824)		5
Sludge Conditioning Chemicals (825)		6
Other Chemicals for Sewage Treatment (826)		7
Other Operating Supplies and Expenses (827)	6,788	8
Transportation Expenses (828)	377	9
Rents (829)		10
Total Operation Expenses	32,199	
MAINTENANCE EXPENSES		
Maintenance of Sewage Collection System (831)	3,391	11
Maintenance of Collection System Pumping Equipment (832)		12
Maintenance of Treatment and Disposal Plant Equipment (833)	4,250	13
Maintenance of General Plant Structures and Equipment (834)		14
Total Maintenance Expenses	7,641	
CUSTOMER ACCOUNTING & COLLECTION EXPENSES		
Billing, Collecting and Accounting (840)	4,406	15
Flat Rate Inspections (841)		16
Meter Reading (842)	312	17
Uncollectible Accounts (843)	456	18
Total Customer Accounting & Collection Expenses	5,174	
ADMINISTRATIVE AND GENERAL EXPENSES		
Administrative and General Salaries (850)	199	19
Office Supplies and Expenses (851)	187	20
Outside Services Employed (852)	2,250	21
Insurance Expense (853)	328	22
Employees Pensions and Benefits (854)	6,685	23

SEWER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
ADMINISTRATIVE AND GENERAL EXPENSES		
Regulatory Commission Expenses (855)		24
Miscellaneous General Expenses (856)	349	25
Rents (857)		26
Total Administrative and General Expenses	9,998	
Total Operation and Maintenance Expenses	55,012	

TAXES (ACCT. 408 - SEWER)

When allocation of taxes is made between departments, explain method used.
--

Description of Tax (a)	Method Used to Allocate Between Departments (b)	Amount (c)	
Social Security	Based on Wages	1,625	1
Local and School Tax Equivalent on Meters Charged by Water Department		94	2
PSC Remainder Assessment	Based on Operating Revenues	63	3
Other (specify): NONE			4
Total tax expense		1,782	

SEWER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	558		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	558	0	
COLLECTION SYSTEM			
Land and Land Rights (310)	1,003		4
Structures and Improvements (311)	0		5
Service Connections, Traps, and Accessories (312)	29,145		6
Collecting Mains and Accessories (313)	133,497	2,644	7
Interceptor Mains and Accessories (314)	0		8
Force Mains (315)	183,561		9
Other Collecting System Equipment (316)	0		10
Total Collection System	347,206	2,644	
COLLECTION SYSTEM PUMPING INSTALLATIONS			
Land and Land Rights (320)	0		11
Structures and Improvements (321)	0		12
Receiving Wells (322)	6,558		13
Electric Pumping Equipment (323)	35,330		14
Other Power Pumping Equipment (324)	48,940		15
Miscellaneous Pumping Equipment (325)	0		16
Total Collection System Pumping Installations	90,828	0	
TREATMENT AND DISPOSAL PLANT			
Land and Land Rights (330)	3,956		17
Structures and Improvements (331)	177,679		18
Preliminary Treatment Equipment (332)	0		19
Primary Treatment Equipment (333)	0		20
Secondary Treatment Equipment (334)	75,173		21
Advanced Treatment Equipment (335)	0		22
Chlorination Equipment (336)	13,046		23
Sludge Treatment and Disposal Equipment (337)	2,388		24
Plant Site Piping (338)	19,604		25
Flow Metering and Monitoring Equipment (339)	7,717		26
Outfall Sewer Pipes (340)	127,075		27

SEWER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			558	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	558	
COLLECTION SYSTEM				
Land and Land Rights (310)			1,003	4
Structures and Improvements (311)			0	5
Service Connections, Traps, and Accessories (312)			29,145	6
Collecting Mains and Accessories (313)	300		135,841	7
Interceptor Mains and Accessories (314)			0	8
Force Mains (315)			183,561	9
Other Collecting System Equipment (316)			0	10
Total Collection System	300	0	349,550	
COLLECTION SYSTEM PUMPING INSTALLATIONS				
Land and Land Rights (320)			0	11
Structures and Improvements (321)			0	12
Receiving Wells (322)			6,558	13
Electric Pumping Equipment (323)			35,330	14
Other Power Pumping Equipment (324)			48,940	15
Miscellaneous Pumping Equipment (325)			0	16
Total Collection System Pumping Installations	0	0	90,828	
TREATMENT AND DISPOSAL PLANT				
Land and Land Rights (330)			3,956	17
Structures and Improvements (331)			177,679	18
Preliminary Treatment Equipment (332)			0	19
Primary Treatment Equipment (333)			0	20
Secondary Treatment Equipment (334)			75,173	21
Advanced Treatment Equipment (335)			0	22
Chlorination Equipment (336)			13,046	23
Sludge Treatment and Disposal Equipment (337)			2,388	24
Plant Site Piping (338)			19,604	25
Flow Metering and Monitoring Equipment (339)			7,717	26
Outfall Sewer Pipes (340)			127,075	27

SEWER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TREATMENT AND DISPOSAL PLANT			
Other Treatment and Disposal Plant Equipment (341)	0		28
Total Treatment and Disposal Plant	426,638	0	
GENERAL PLANT			
Land and Land Rights (370)	0		29
Structures and Improvements (371)	0		30
Office Furniture and Equipment (372)	1,145		31
Computer Equipment (372.1)	0		32
Transportation Equipment (373)	0		33
Other General Equipment (379)	16,166		34
Other Tangible Property (390)	0		35
Total General Plant	17,311	0	
Total utility plant in service directly assignable	882,541	2,644	
Common Utility Plant Allocated to Sewer Department	0		36
Total utility plant in service	882,541	2,644	

SEWER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
TREATMENT AND DISPOSAL PLANT				
Other Treatment and Disposal Plant Equipment (341)			0	28
Total Treatment and Disposal Plant	0	0	426,638	
GENERAL PLANT				
Land and Land Rights (370)			0	29
Structures and Improvements (371)			0	30
Office Furniture and Equipment (372)			1,145	31
Computer Equipment (372.1)			0	32
Transportation Equipment (373)			0	33
Other General Equipment (379)			16,166	34
Other Tangible Property (390)			0	35
Total General Plant	0	0	17,311	
Total utility plant in service directly assignable	300	0	884,885	
Common Utility Plant Allocated to Sewer Department			0	36
Total utility plant in service	300	0	884,885	

SEWER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily disconnected or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by diameter; pipe materials do not need to be specified.

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
Sewer	4.000	252	0	0	0	252		1
Total Utility		252	0	0	0	252	0	

SEWER MAINS

1. Report mains separately by diameter. Pipe materials do not need to be specified.
2. Explain all reported adjustments as a schedule footnote.
3. For main additions reported in column (c), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

Number of Feet						
Diameter in Inches (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	
4.000	120	0	0	0	120	1
6.000	340	0	0	0	340	2
8.000	19,767	0	0	0	19,767	3
10.000	1,977	0	0	0	1,977	4
Total Utility	22,204	0	0	0	22,204	

SEWER OPERATING SECTION FOOTNOTES

Sewer Operation & Maintenance Expenses (Page S-05)

Acct. 820 - Supervision and Labor - A Village Manager was hired effective January 1, 1998, and his time was allocated to expense.

Acct. 821 & 822 - Power and Fuel for Pumping & Power and Fuel for Aeration - The electric bills were allocated between pumping and sewage treatment beginning in 1998.

Acct. 831 & 833 - Maintenance of Sewer Collection System & Maintenance of Treatment and Disposal Plant - The plant is old necessitating maintenance. The new Village Manager initiated various projects.

Acct. 854 - Employees Pensions and Benefits - A large refund of medical bills paid in prior years was received in 1997. Health insurance went up 26%. The new Village Manager received retirement and health insurance.

Sewer Utility Plant in Service (Page S-07)

Acct. 313 Collecting Mains and Accessories - There are no additions or retirements on the Sewer Mains schedule (S-10) because the addition and retirements in this account was due to installation of a new manhole and removal of an old manhole which is considered an accessory.
